

NEW SOUTH WALES.

BUSINESS STATISTICS - 27th October, 1941.

War production is increasing as new factories come into operation. More persons are employed than ever before and this is reflected in buoyancy of retail trade, heavy small savings and exceptional results of transport undertakings. A stoppage of brickmakers has interrupted active building of houses and factories; permits for other kinds of building have decreased. Satisfactory rural prospects depend on early rain. The U.S.A. has bought the 167 m. lb. of Aust. wool stored by U.K. in U.S.A. but this strategic reserve must be replenished.

C O N T E N T S.

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PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON: The past week has been practically rainless; there have been drying winds; and unless rain falls soon, crops and pastures, already barely average, will suffer. Parts of the State, e.g., the south-west, the western Riverina, the far South and far North Coast, are very dry.

EXPORT PRICES AND
EXTERNAL TRADE
CONDITIONS.

Australia is now exporting very considerable quantities of manufactured goods and as industrial capacity is devoted more and more to war production shipments of such goods will increase. The index number of Australian export prices does not cover items in that category but includes only primary products. It is unchanged at about 20 p.c. above the pre-war level and 83 p.c. of the 1927 average. But the difficulty of shipping exportable produce abroad and changes in the composition of trade render the index number of little value as a guide to prospective export income or the economic condition of the rural industries. However arrangements for canning etc. and storage of surplus products, and for substantial advances for such commodities should modify the effects upon producers of the difficult export situation.

Shipping losses, apparently, are not as heavy as they were early in the year but Mr. Churchill has pointed out that aid to Russia and the expected heavier flow of war goods from America will add to the demand for shipping. British farmers have been asked to redouble their efforts to grow more food. The Stock Market in London has reacted to Russian reverses. Eire is reported to be negotiating with Britain to supply £15 m. worth of sheep and cattle.

Labour troubles are handicapping progress with United States plans for war production; 53,000 coal miners are on strike. The U.S.A. Senate has passed the \$A1,870 m. Lend-Lease appropriation but inserted a proviso that funds would not be allowed for the purchase of agricultural and industrial commodities produced outside U.S.A. Mr. Wickard, Secretary for Agriculture holds that agricultural prices are not yet too high (though they are much higher in U.S.A. than elsewhere) and that they should be permitted to rise to at least 10 p.c. above the parity (1909-14) level.

New Zealand is seeking increased supplies of war materials from Australia.

INTERNATIONAL
CURRENCY
RELATIONSHIPS.

Quotations of sterling in the open market in New York which stood at \$4.0375 from Oct. 4 to 21 have returned to the rate (\$4.035) prevailing in recent months. This slight movement may reflect war developments in Russia, but in general the close financial co-operation given Britain by the United States tends to stabilise the rate. Practically all commercial transactions permitted between the two countries are covered by exchange made available by the British authorities at the fixed rate of \$4.03 to £stg.

RATES OF EXCHANGE - NEW YORK ON LONDON (OPEN MARKET)

		Av. of Daily Quotes.		U.S. \$ to £stg.			
<u>Yr.</u>						<u>Aug.</u>	<u>Sept.</u>
<u>1929.</u>	<u>1932.</u>	<u>1936.</u>	<u>1938.</u>	<u>1939.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
4.867	3.506	4.971	4.889	4.435	4.611	4.038	4.035

WOOL. Last week it was revealed that 167 million lb. of Australian wool, comprising the strategic reserve stored in the U.S.A., had been bought by the United States Defence Supplies Corporation at about 26 cents a lb. (greasy). This wool, therefore will pass into consumption, and it is required in terms of the U.K.-U.S.A. agreement, that the reserve stock be speedily replenished. Approximately a million bales of wool were shipped from Australia to America on commercial account or for the reserve stock in the year ended June, 1941; a quantity very much greater than that ever before exported to U.S.A. Shipping is a difficulty and it is understood that America has requested space to carry 300,000 bales of wool from South Africa during the remainder of this year.

/Altogether.....

PART I (Continued)

Altogether it is estimated that the equivalent of at least 50 p.c. of last season's wool clip passed into consumption during 1940-41.

Up to October 23, 1941 the quantity of wool received in Sydney was 736,854 bales or 40,803 bales less than in the corresponding period of last season. Wool appraised was 439,081 bales compared with 447,163 bales from July 1 to Oct. 23, 1940.

The Australian Wool Board has disclosed that Australian appraisements to mid-October were 820,419 bales compared with 604,418 bales a year earlier. Average prices for wool as appraised were slightly lower for the Commonwealth as a whole, but a little higher in N.S.W. in 1941 than in 1940. Average appraised prices, per lb., greasy were:-

<u>To mid-October.</u>	<u>N.S.W.</u>	<u>Vic.</u>	<u>Q'land.</u>	<u>S.Aust.</u>	<u>W. Aust.</u>	<u>Tas.</u>	<u>Aust.</u>
1940	11.54d.	12.15d.	11.90d.	11.34d.	11.59d.	12.93d.	11.67d.
1941	11.64d.	11.80d.	11.59d.	10.76d.	11.08d.	10.43d.	11.55d.

WHEAT. The preliminary estimate of the wheat harvest in N.S.W. this season is 43 million bushels. This estimate is tentative and may change considerably either way; good rains might increase the yield of late sown crops and continued lack of rain would cause deterioration. Victoria, South and Western Australia each expect a harvest above average.

Frost damage is reported from Argentina.

Futures quotations in Chicago have fluctuated; a wave of selling orders caused a drop of 10 cents a bus. on Oct. 16 but most of the decrease has since been regained. On Oct. 25 December options were at 115½ cents a bus. compared with 86½ and 85½ cents a bus. one and two years earlier. Prices have eased a little in Winnipeg but are a cent or two higher than at the corresponding date of 1940 or 1939. Prices of parcels in London are practically unchanged.

The local market is quiet. An increase of 4d. a bus. made in the price of wheat for flour for export to Pacific Islands brings the price into line with that for Eastern and Middle-Eastern destinations. For bulk wheat for local flour the price is steady at 3s.11½d. a bus. ex trucks, Sydney. Lack of overseas orders and the shortage of shipping has affected flour milling. It has been stated that of 57 mills in N.S.W. only 11 are working full time, 32 are working intermittently and 14 are closed. Plans to reopen the mills are being considered by the State Government. The price of flour sold locally at wholesale is still £12.13s. a ton including tax.

PRICES OF WHEAT IN NEW SOUTH WALES.

Shippers' offers to 1938-39. Price of wheat for local flour from Dec., 1939.

<u>Bulk Wheat.</u>	<u>Season ended November.</u>				<u>September.</u>		<u>Oct. 27, 1941.</u>
	<u>Av. 1931-35.</u>	<u>1937.</u>	<u>1939.</u>	<u>1940.</u>	<u>1940.</u>	<u>1941.</u>	
	<u>Shillings and pence per bushel.</u>						
<u>Ex trucks, Sydney.</u>	2 9½	5 3	2 5	3 10½	3 11½	3 11½	3 11½
<u>Equiv. ex farm at country siding.*</u>	2 2½	4 8	1 9½	2 11	2 11	2 9½	2 9½

* Exclusive of bounty. ø Net equivalent of advances made to date.

BUTTER. Something approaching drought conditions prevail in practically all coastal dairying districts except the Illawarra. Inland areas though in need of more rain, are in better condition. Because of the adverse conditions the spring flush in milk production has not been as great as usual.

/Butter.....

PART I (Continued)

Butter is in good demand and is steady in local markets at the wholesale price of 158s.8d. per cwt. The request of dairying interests for an increase in price (there has been no change since June 8, 1938) has not yet been dealt with.

METALS. In the open market in London the prices of silver and of tin have remained very steady at 1s.11½d. an oz. and about £stg. 256 a ton. The strong market for tin is due primarily to heavy absorption of the metal in the United States. Thus, although world production of tin in the eight months ended August 1941 is given as 168,600 tons or almost double that of Jan.-Aug., 1939 the United States took delivery of 106,572 tons or 2½ times as much as in the first eight months of 1939.

Tin (Tons)	World Production.	Deliveries in U.S.A.	World Stocks.
	Jan.- Aug.	Jan.-Aug.	At Aug.31.
1939	87,300	41,570	34,608
1940	143,500	70,404	51,232
1941	168,600	106,572	50,864

Australian metal producers are receiving prices considerably above pre-war prices for metals exported from Australia. Export parities of prices received give monthly averages as follow:-

AVERAGE PRICES OF METALS (EXPORT PARITIES, f.o.b.) - AUSTRALIA.

	Silver (Standard) oz.	Lead. (ton)	Spelter (ton)	Tin (Standard) ton	Gold (Fine) oz.
Average, 1937	2 1.0	27 9 7	29 1 6	292 16 5	8 15 1
1938	2 0.1	17 12 11	19 12 10	288 11 10	8 17 1
1939	2 1.4	17 12 1	19 15 3	268 3 6	9 14 4
July, 1939	1 9.1	16 19 1	19 14 6	273 3 3	9 4 11
August, 1940	2 3.9	18 16 5	21 7 9	298 10 1	10 12 6
July, "	2 3.8	18 12 1	22 9 0	293 1 0	10 14 0
August, "	2 4.6	19 12 10	23 0 0	291 7 8	10 14 0

BANKING. The banking situation in Australia remains strong. Movements during the past year reflect conditions of wartime finance; the trading banks have increased their holdings of Government securities by rather more than 30 p.c., the cash position, though satisfactory, is less liquid than a year ago, while an increase in deposits and a decrease in advances are consequences, respectively, of (mainly) war expenditure and implementation of policy in relation to private credit.

Private business in private trading banks in New South Wales showed between June Qr. and September Qr. 1941 a further increase in deposits (wholly on current account) and a smaller than usual seasonal increase in advances. Comparing Sept. Qrs. of 1940 and 1941 deposits increased by £8.7 m. and advances were £4.3 m. lower. Contrasting with the situation at the outbreak of the war an excess of advances over deposits in Sept. Qr., 1939 of £9.6m. has been transformed into a surplus of deposits over advances of £21m..

PRIVATE DEPOSITS AND ADVANCES - PRIVATE TRADING BANKS IN N.S.W.

Changes in year ended September. (Increase +, Decrease -).

Sept. Qr.	Fixed Deposits £m.	Current Deposits £m.	Total Deposits £m.	Advances £m.	Excess of Deposits over Advances. £m.
1937 to 1938	+ 1.1	- 0.5	+ 0.6	+12.8	- 12.2
1938 to 1939	+ 2.0	+ 2.7	+ 4.7	+ 3.3	+ 1.4
1939 to 1940	+ 0.5	+12.3	+12.8	- 4.9	+ 17.7
1940 to 1941	- 0.1	+ 8.8	+ 8.7	- 4.3	+ 13.0

Reference to the firm undertaking given the Government by the trading banks regarding operation during wartime was made in B.S.1941/10A, p. 1, and to the reduction of rates of interest paid on fixed deposits at p. 3 of the same issue. It will take some time for the effects of the reduction in deposit rates to be fully registered, but the tendency should be to encourage transfer of funds from fixed accounts to higher-earning gilt-edged security investments. Periodically large-scale loan operations may draw away deposits (and cash) from the banks, but this will be offset as funds are disbursed in payment for war services, etc.

Statistical comparisons are as follow:-

PRIVATE BUSINESS IN PRIVATE TRADING BANKS IN N.S.W. (a).

(Aggregate Quarterly Averages).

Quarter ended -	Deposits.			Advances	Excess of Depo- sits over Advances.
	Fixed	Current	Total		
	£m.	£m.	£m.	£m.	£m.
Sept., 1929	63.4	43.4	106.8	107.9	(-) 1.1
" 1937	61.5	47.8	109.3	108.1	1.2
" 1938	62.6	47.3	109.9	120.9	(-) 11.0
" 1939	64.6	50.0	114.6	124.2	(-) 9.6
June, 1940	66.3	60.4	126.7	117.9	8.8
Sept., "	65.0	62.3	127.3	119.2	8.1
June, 1941	65.8	69.9	135.7	113.9	21.8
Sept., "	64.9	71.1	136.0	114.9	21.1

(a) Excluding Commonwealth and Rural Banks and excluding Government deposits and Government securities in private trading banks.

(-) Denotes excess of advances over deposits.

RETAIL TRADE. Retail traders have been busy and accounts published in recent months show that operations generally have been at least as profitable as in any other recent year. Prices continue to increase slowly and there is difficulty in maintaining stocks, partly because of curtailment of imports and partly because local mills are occupied on orders for Australian and Empire forces. There has been a tendency for the number of persons on retailers' payrolls to increase - but the increase is confined to the Sydney (mainly city) and Newcastle districts.

/Of the.....

PART II. (Continued.)

Of the increase of 2,258 between Sept., 1939 and 1941, city shops accounted for 1,982. Particulars of employment in retail firms with ten or more employees are as follow:-

EMPLOYMENT IN RETAIL TRADE, NEW SOUTH WALES.						
Middle week of September -	Sydney		Newcastle District	Country Towns.	Total, N.S.W.	
	City	Suburbs			Number	Increase in year ended Sept.
	Persons employed in firms with ten or more employees.					
1937.....	34,888	4,062	2,341	8,563	49,854	2,256
1938.....	35,801	4,013	2,450	8,725	50,989	1,135
1939.....	36,121	4,044	2,534	8,477	51,176	187
1940.....	36,538	4,017	2,485	8,342	51,382	206
1941.....	38,103	4,211	2,746	8,374	53,434	2,052

TRADE IN CITY SHOPS. In a group of large city shops the value of sales in August, 1941 was 16.3 p.c. greater than in Aug., 1940. Increases in prices are probably a less influential factor than they were in the first year of the war and subordinate to the expansion of demand accompanying the rising trend of wage-earnings, and increased employment. However the inordinate pressure of consumers on supplies in mid-year appears to have abated. Percentage increases in the value of sales show wide fluctuations and are considerably greater in most cases than those occurring in 1940:-

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>
Increase, p.c., in sales value over same month of preceding year.								
1940	7.8	10.6	-7.6	14.4	7.0	-2.1	11.2	12.7
1941	13.2	6.2	13.9	8.3	24.2	38.4	10.5	16.3

In Aug., 1941 every class of goods showed an increase in sales value except electrical goods (no change). Groups with notable increases were piece goods (15.6%) women's wear (23.2%) men's and boy's wear (21%) boots and shoes (33.7%) and sports and travel goods (22.1%).

These shops had in August, 1941 an average of 2.9 p.c. more employees and paid out 9.2 p.c. more in salaries and wages than in August, 1940.

SAVINGS BANKS. During September deposits exceeded withdrawals in savings banks in New South Wales by £1,018,000. That large increase followed upon others of £772,000 in July and £1,194,000 in August. Beside this nearly £500,000 was paid in the purchase of War Savings Certificates in July and August (the amount for Sept. is not yet available). This unprecedented rate of saving is a reflection of record levels of employment and wage-earnings, and of efforts to save from patriotic motives.

The growth in savings in recent months and other intervals was as follows:-

		<u>March</u> <u>Qr.</u>	<u>June</u> <u>Qr.</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Total</u> <u>Jan.-Sept.</u>
Savings Deposits	£000	1853	1013	772	1194	1018	5,850
" Certificates	£000	550	851	299	196	?	1,896 +
Total	£000	2403	1864	1071	1390		7,746 +

ø Excess of deposits over withdrawals. * Purchases (at cost) less repayments. + Jan.-Aug. only for War Savings Certificates.

During September, 1941 the number of open savings accounts increased by 10,798 making a total increase of 56,913 during the two war years. The amount of deposits at Sept. 30., 1941 (£90.73 million) was the greatest ever recorded.

SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances		Increase in Deposits		Open Savings Accounts	
	August.	Sept.	In Sept.	In. Year ended Sept.	August	Sept.
	£000	£000	£000	£000	000	000
1937.....	82,229	82,461	232	2,688	1,238	1,245
1938.....	86,310	86,436	126	3,975	1,306	1,312
1939.....	86,957	86,557	(-)400	121	1,315	1,316
1940.....	83,074	83,827	753	(-) 2,730	1,321	1,327
1941.....	89,717	90,735	1,018	6,908	1,362	1,373

Minus sign (-) denotes decrease.

OVERSEA TRADE - AUSTRALIA. In September, 1941 imports of merchandise were £stg.15.32m., a record in value for any month and 71.8 p.c. above the value in Sept., 1940. Exports at £stg.10.23m. increased by 33.03 p.c. in comparison with September, 1940. Monthly figures tend under wartime conditions, to show marked irregularity and the sharp increase in imports was probably fortuitous and connected with heavy arrival of war materials, capital equipment and essential commodities. In the year ended September, 1941 imports of merchandise (£stg.113.8m.) were £stg.7.1 m. less than in the preceding twelve months. How far the restriction of imports from non-sterling countries and the purchase of war materials counterbalance in the trade returns is not known, but it is apparent that civilian imports have been cut down substantially.

IMPORTS OF MERCHANDISE - AUSTRALIA - £stg. MILLION.

	Apr.	May.	June	July	Aug.	Sept.	Dec. ^x Qr.	Mar. Qr.	June Qr.	Sept. Qr.	Yr.end- ed Sept.
1939.....	6.8	8.4	8.3	8.9	9.2	6.8	24.7	25.1	23.5	24.9	98.2
1940.....	12.2	10.8	10.2	12.6	8.8	8.9	22.4	35.0	33.2	30.3	120.9
1941.....	8.9	10.3	8.5	9.6	10.4	15.3	27.2	23.5	27.7	35.4	113.8

^x Preceding Year.

The Division of Import Procurement which will deal with all Lend-Lease transactions, is to make requisition upon the United States for a year's requirements of war materials or equipment not produced in Australia and otherwise unobtainable. Individual importers will be able to procure certain American goods only if their orders are endorsed by the Commonwealth Government.

Already payment made for goods not actually shipped renders trade figures subject to adjustment for use in estimating the balance of payments. Receipt of goods payment for which is deferred will add another element of uncertainty, and there is, of course, no information available as to the value of exports of bullion and specie.

Particulars of the recorded value of merchandise trade in September and September quarter of recent years compare as under:-

OVERSEA TRADE AUSTRALIA - MERCHANDISE ONLY. ⁶

Merchandise - ⁶	September.			September Quarter.				
	1939	1940	1941 ⁺	1937	1938	1939	1940	1941 ⁺
	Value in £ sterling (million).							
Exports.....	6.38	7.69	10.23	23.26	20.27	19.43	25.93	27.87
Imports.....	6.83	8.92	15.32	27.26	26.10	24.90	30.29	35.36
Import Surplus.....	.45	1.23	5.09	4.00	5.83	5.47	4.36	7.49

⁶ Particulars of bullion and specie not available. ⁺ Preliminary.

Particulars of the value of oversea trade in the year ended June, 1941 indicate a substantial degree of adaptation of exports of primary commodities to the

/exigencies.....

PART II. (Continued.)

exigencies of wartime conditions. Shipping difficulties caused wool exports to drop sharply; decreases in beef and mutton shipments were almost offset by increases in lamb and pork exports and exports of cheese, milk and eggs increased (despite adverse dairying conditions) to accord with British requirements.

EXPORTS OF MERCHANDISE - AUSTRALIA. INCREASES AND DECREASES.

Movement 1939-40 to 1940-41 in £A,000.

Increases.

Cheese	105	Eggs	670	Milk and Cream	403
Lamb	496	Pork	841	Tinned Meat	996
Dried Fruits	502	Wheat	1,699	Flour	2,226

Decreases.

Butter	3,921	Beef	1,163	Mutton	551
Rabbits &c.	253	Fresh Fruit	773	Pres'd. Fruit	547
Sugar	1,508	Wool (Greasy, scoured and tops)			17,238

Interesting developments were increases of £A1,055,000 in exports of apparel and textiles, of £A1,485,000 in beer, spirits, etc. and of £A848,000 in machines and machinery. Minerals (£A713,000 lower) and metals and metal manufactures (£A2,345,000 lower) were exported in smaller volume, probably owing to increased local requirements reducing exportable surpluses. With regard to imports significant increases were mainly in respect of essential raw materials and items to increase Australia's productive capacity. Amongst these were (increases in £stg.1,000) raw cotton 524, paper pulp 248, cotton and linen material 1,105, canvas and duck 324, cotton yarns 230, crude rubber 545, motive power machinery 580, yarn and textile making machinery 256, "other" machinery 644 and "other" metals and metal manufactures 6,900 - the two last-mentioned probably including mainly defence and war goods.

Curtailment of civilian imports was evident in decreases over a wide range of items such as (£stg.1,000) fish, 365, spirits etc. 415, tobacco 1,431, raw silk 241, apparel and attire 321, carpets, linoleum, etc. 453, silk and art silk material 675, motor cars and parts 2,889, paper 907, books, stationery etc. 533, toys, fancy goods, jewellery etc. 653 and vacuum cleaners 215.

EMPLOYMENT. In the middle week of September, 1941 there were 916,631 persons in employment in New South Wales. This record number was 4,473 greater than a month before, making a total increase during the war period of 84,825. Much the greater part of the increase is in the manufacturing industries (see succeeding note). There were 52,851 adult males unemployed at the outbreak of the war and 34,273 in September, 1940. The number registered at State Labour Exchanges on Sept. 30, 1941 was 12,394 and probably many of these are unfitted for regular employment.

Increases in employment in successive months ended mid-February to mid-September of this year were 9,737; 9,090; (-)619; 2,451; 2,143; 1,735; 1713 and 4473. Particulars illustrating trends in employment in recent years are given below. The increase during the war has been considerable in Government as well as in private employment, and in each instance is attributable to the growing strength of the war effort.

INCREASE IN PERSONS IN EMPLOYMENT IN NEW SOUTH WALES.

	Aug. to Sept.	June to Sept.	Jan. to Sept.	Year ended September.			
				Private	Local Govt.	Govern- mental	All Em- ployees.
	All Employment.						
1937	8,900	17,300	50,300	42,220	7,360	10,500	60,080
1938	5,900	1,000	20,600	23,190	-3,300	2,900	22,790
1939	6,600	6,880	18,060	-4,180	- 950	3,100	-2,040
1940	3,750	17,780	22,721	32,700	-2,060	5,000	35,611
1941	4,473	7,921	32,720	31,427	- 372	11,500	42,555

Minus sign (-) denotes decrease.

From mid-August to mid-September the outstanding change was again in factory employment. Seasonal influences about this time of the year are toward increased employment and explain the gain in the number in offices and commerce. In non-manufacturing industries employment increased appreciably during the year ended September, 1941 in shops, warehouses, offices and commerce and in hospitals, hotels, etc.

Percentage changes in the war period and over the last twelve months are given in the concluding columns of the appended table.

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding Relief Workers and men in the Armed Forces not on Civil Paysheets).

GROUP.	Persons employed in middle week of -						Increase, Sept., 1941 over -	
	Sept., 1937.	Sept., 1938	Sept., 1939	Sept., 1940.	Aug., 1941	Sept., 1941.	Sept., 1939	Sept., 1940.
	000	000	000	000	000	000	per cent.	
All Employment	817.7	840.5	838.4	874.1	912.2	916.6	9.3	4.9
Private	668.1	691.3	687.1	719.8	748.1	751.2	9.3	4.4
All Factories & In Firms with Ten or more Employees.	221.1	229.7	230.7	250.6x	281.3x	285.7x	23.8	14.0
Mines	19.7	19.8	21.4	21.1	21.0	21.0	-1.9	-0.5
Retail Trade	49.9	51.0	51.2	51.4	53.5	53.4	4.3	3.9
Wholesale Trade	24.5	25.5	25.5	25.9	26.2	26.4	3.5	1.9
Offices & Commerce	26.0	27.2	27.7	29.2	29.8	30.6	10.5	4.8
Ship'g. & Rd. Trans'pt.	19.0	21.8	21.7	21.9	21.2	21.4	-1.4	-2.3
Personal Services &	27.5	28.7	29.6	29.8	31.0	31.2	5.4	4.7
Other Industries	22.1	22.9	20.7	21.0	17.9	18.7	-9.7	-11.0

- Denotes decrease. x Subject to revision. & Includes working proprietors.
 * Includes hospitals, professions, amusements, hotels, etc.

MANUFACTURING INDUSTRIES. Between the middle weeks of August and September the number of persons employed in factories in New South Wales increased by 4,400 to 285,700. This was 57,000 more than in the pre-war month (Aug., 1939) and 35,100 more than in September, 1940. In Sept., 1941 the index number of /factory.....

PART III. (Continued.)

factory employment was 58 p.c. above the average of the best pre-depression year (1928-29).

EMPLOYMENT IN FACTORIES IN NEW SOUTH WALES.

	Aver., 1928-29.	<u>June,</u> <u>1933</u>	<u>Sept.,</u> <u>1939</u>	<u>June,</u> <u>1941</u>	<u>July,</u> <u>1941</u>	<u>Aug.,</u> <u>1941.</u>	<u>Sept.,</u> <u>1941.</u>
Persons (000)	180.7	139.7	230.7	276.3	278.7	281.3	285.7
Index No.	100	77	128	153	154	156	158

Employment in factories with ten or more employees increased in all industries during Aug.-Sept., but especially in metals working, textiles and clothing, food and drink and glass factories. The following statement illustrates the course of development of manufacturing activity in the last few years. The influence of production for war is manifest in the remarkable growth of employment in the metals, chemicals, textile and clothing and rubber industries. (See percentage comparisons at foot of table).

EMPLOYMENT IN PRIVATE FACTORIES WITH TEN OR MORE TAXABLE EMPLOYEES, N. S. W.

Middle week of -	Cement, Bricks, Glass, etc.	Chemicals.	Industrial metals	Textiles and Clothing	Food and Drink	Wood- work- ing &c.	Paper & Print- ing.	Rubber
	Number of persons employed - Thousands.							
Sept., 1938	11.74	6.77 ^ø	64.70 ^ø	38.07 ^ø	27.89	10.59	14.83	3.79 ^ø
Aug., 1939(a)	11.50	7.24	61.78	36.96	27.96	9.89	14.81	3.68
Sept., 1940	12.39	8.94	71.54	40.82	29.14	10.07	14.42	3.64
July, 1941	13.23	9.45	89.31	41.94	30.79	10.98	14.75	4.60
Aug., "	13.09	9.56	91.28	42.18	30.80	10.98	14.79	4.60
Sept., " (b)	13.73	9.71	92.87	42.41	31.16	11.27	15.06	4.69
Incr. (a) to (b) %	19.39	34.12	50.32	14.75	11.44	13.95	1.69	27.45

^ø These figures are not for general publication (see B.S.1941/9c.)

Factories in which employment has expanded rapidly include the new aircraft engine and assembly works. There have been further increases in employment in Government munitions factories, and in ship-building yards. Industrial stoppages have affected war production but have not caused any general dislocation.

The system of sub-contracting and the establishment of annexes result in a heavy volume of war work being done in private factories which before the war were occupied solely on civilian goods.

In 42 large factories the value of products sold in the eight months ended August was £8.36 million or 34 p.c. greater in 1941 than in 1939. Probably the greater part of this increase can be attributed directly or indirectly to Government contracts. These factories had 5,300 (23 p.c.) more employees than in Aug., 1939 and in Aug., 1941 their weekly wages bill was £42,600 or 46 p.c. greater than in the pre-war month. The disparity in the increases in employment and wage-earnings is due to higher wage rates, and full and over-time working.

Comparative information regarding activity in factories in N.S.W. is brought together in the appended table:-

/MANUFACTURING.....

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

	ALL FACTORIES.		FORTY-TWO LARGE FACTORIES					
	September.		Month of August			January to August. (Monthly Average).		
	Employment.		Sales	Employ- ees.	Wages Paid (Weekly)	Sales	Employ- ees.	Wages Paid (Weekly)
	Number	Index No.						
	Av. 1928-29 =		£000	000	£000	£000	000	£000
	180,756	100						
1937	221,100	122	3025	22.8	88.3	2963	22.2	84.8
1938	229,700	127	3141	23.8	96.8	3102	23.4	94.9
1939	230,700	128	3386	23.0	95.4	3076	23.0	94.9
1940	250,600	139	3520	24.3	106.9	3430	23.7	101.9
1941	285,700	158	4264	28.3	138.0	4121	27.4	126.4

GAS AND ELECTRICITY. The consumption of gas and electricity in Sydney and suburbs has increased continuously since recovery began in 1932, and the rapid expansion of war industries has caused a larger increase latterly than in earlier years. In September, 1941 the index number - 51 p.c. above the average for Sept., 1929-31 - was 12.7 p.c. higher than in Sept., 1939. The influence of increasing population and wider reticulation of services account for perhaps one-fourth of the increase above the base period; for the rest industrial development is the pre-dominant factor.

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY AND SUBURBS.

1929 1932 1937 1938 1939 1940 1941

Index Numbers - Average, 1929-31 = 100.

Month of September.....108 97 118 123 134 134 151
Calendar Year.....105 96 119 123 131 135 -

ROAD TRANSPORT SERVICES. Government trams and omnibuses in Sydney and Newcastle carried nearly 76 million passengers in July and August, 1941 which was 16 $\frac{3}{4}$ million or 28 p.c. more than in the immediate two pre-war months. The greater number in employment together with travelling by military etc. personnel, and the curtailment of private motoring due to petrol rationing are the principal factors in the increase. Earnings for the two months were 21 p.c. greater but working costs, including payroll tax increased by 15 p.c. and the excess of earnings over working expenses (£141,000) was £59,700 more than in July-Aug., 1939.

GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	MONTH OF AUGUST.				JULY AND AUGUST.			
	Earn- ings.	Working Expenses	Working Surplus ^o	Passen- gers.	Earn- ings.	Working Expenses	Working Surplus ^o	Passen- gers.
	£000	£000	£000	mill.	£000	£000	£000	mill.
1938	334.9	306.9	28.0	29.3	679.5	606.0	73.5	59.2
1939	353.7	313.9	39.8	30.5	704.8	622.0	82.8	60.4
1940	368.2	298.9	69.3	32.1	739.5	613.2	126.3	63.7
1941	428.3	354.0	74.3	37.9	856.4	714.9	141.5	76.0

^o Excess of earnings over working expenses, exclusive of interest, sinking fund, exchange and current depreciation amounting in 1940-41 to £662,000.

BUILDING PERMITS:**METROPOLIS -**

Building permits and particulars of Government building contracts indicate a relatively high level of building activity in which house and flat building predominate augmented by near record proposals for factory premises. Building has fallen off in the city but has increased in the suburbs. Permits in Sept. Qr., were £3.14m. in 1941, £2.84m. in 1940 and £3.53m. in 1939. Dwellings in Jan.-Sept. numbered 8,004 this year compared with 6,672 in 1940 and 7,935 in 1939.

Building permits as usual were at their highest level in the middle months of the year and were lower in value in September than in preceding months. Those granted in

/Sydney.....

Sydney and Suburbs in September (£927,000) were greater in value than in Sept., 1939 or 1940 but less than in Sept., 1936, 1937 or 1938. Three monthly moving averages illustrating the course of private building activity are as follow:-

AV. VALUE OF PERMITS GRANTED - THREE MONTHS ENDED -

		<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>
1940	£000	699	685	775	889	963	993	995	988	948
1941	£000	1111	985	786	812	903	1078	1233	1198	1046

In recent months private building permits have ranged in value between the high level of 1937-38 and the considerably lower value of the first year of the war. In Sept. Qr. the total this year was 10.4 p.c. greater than last year and 22.5 p.c. lower than in 1938.

PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

		<u>March</u>	<u>June</u>	<u>Sept.</u>	<u>Dec.</u>	<u>Year ended</u>
		<u>Qr.</u>	<u>Qr.</u>	<u>Qr.</u>	<u>Qr.</u>	<u>Sept.</u>
1937	£000	1950	2986	3079	3245	10,413
1938	£000	3106	3709	4053	3194	14,113
1939	£000	2856	3230	3531	2603	12,811
1940	£000	2324	2979	2844	3571	10,750
1941	£000	2357	3234	3140	-	12,302

A great deal of building continues to be undertaken on Government account but this has not altogether offset the decrease in private building activity. Combined totals compare as under:-

<u>METROPOLIS:</u>	<u>MONTH OF SEPTEMBER.</u>			<u>SEPTEMBER QR.</u>		
	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
Public	32	90	151	487	318	438
Private	800	840	927	3531	2844	3140
TOTAL	832	930	1078	4018	3162	3578

Private building in the city has decreased progressively but in the suburbs has attained its highest post-war level:-

	<u>CITY BUILDING PERMITS (£000).</u>					<u>SUBURBAN BUILDING PERMITS (£000).</u>				
	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
Sept.	181	215	91	63	74	852	895	709	777	853
Jan.-Sept.	1868	2555	1445	912	471	6147	8313	8171	7236	8260

The main elements in the increase of recent months are:-

- expansion of permits for brick houses to a record level,
- a near-record value of proposals for factory premises,
- and considerable activity in wood and fibre houses and flat buildings.

Trends according to class of building are as follow:-

PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

Period.	Houses		Flats (a)	Hotels, Guest Houses	Shops (b)	Factor- ies. (c)	Other Build- ings.	Total.
	Brick etc.	Wood, Fibro.						
	£000	£000	£000	£000	£000	£000	£000	£000
Sept., 1939	294	53	150	61	18	98	126	800
" 1940	373	67	168	11	30	86	105	840
" 1941	518	85	139	1	7	132	45	927
Sept. Qr. 1940	1296	196	530	221	60	264	277	2844
Dec. " "	1170	155	1091	102	117	454	482	3571
Mar. " 1941	1266	142	535	16	62	206	130	2357
June, " "	1575	264	806	19	80	285	205	3234
Sept., " "	1713	334	527	3	31	416	116	3140

Including (a) conversions to flats, (b) shops with dwellings and (c) public garages.

PART III (Continued.)

Effects of the official control of building (inaugurated on 5th Dec., 1940), may be seen in private building proposals in the first nine months of this year. Work on hotels, etc. has almost ceased and on shop premises has been curtailed. Erection of non-essential or deferrable social buildings has been discouraged, and for churches, theatres, hospitals, private garages, outbuildings, etc. the amount committed in Jan.-Sept., 1941 was little more than one-fifth that in the corresponding nine months of 1938 and lowest for the period since 1932. Details for five years are appended; percentage comparisons with the nine months preceding the war are given in the final column.

PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

	NINE MONTHS ENDED SEPTEMBER.					Movement: 1939 to 1941.
	1937	1938	1939	1940	1941	
	£000	£000	£000	£000	£000	per cent.
Houses - Brick	2,724	3,818	3,490	3,528	4,554	(+) 30.5
- Wood, Fibro	393	679	738	729	740	(+) 0.3
Hotels, Guest Houses &c.	231	431	374	506	38	(-) 89.8
New Flats	1,443	2,672	2,266	1,541	1,836	(-) 19.0
Converted to Flats	122	97	71	52	32	(-) 54.9
Shops with Dwellings	130	216	158	110	92	(-) 41.8
Shops only	496	240	235	146	80	(-) 66.0
Factories	896	659	1,032	695	901	(-) 12.7
Public Garages	134	94	52	26	7	(-) 86.5
Other Buildings (a)	1,446	1,942	1,200	815	451	(-) 62.4
TOTAL	8,015	10,848	9,616	8,148	8,731	(-) 9.2

(a) Offices, theatres, churches, private garages, outbuildings, etc.

DWELLINGS. There were 807 dwellings of all kinds included in permits granted in the Metropolis in September, 1941. In every month of this year except April the number was greater than in the corresponding month of 1940 and the total number of net additional dwellings proposed was greater than in any other year excepting 1938. Numbers month by month are:-

NET ADDITIONAL DWELLINGS PROPOSED - METROPOLIS.

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
1938	688	842	1017	1003	1174	1130	1264	1212	1185
1939	643	811	857	666	869	1246	1223	1051	569
1940	488	562	635	309	963	782	748	820	676
1941	625	704	846	695	1039	1267	1042	979	807

This year the erection of brick houses has reached the highest level of post-depression years, and although fewer wooden and fibro houses were proposed than in any of the preceding three years the total for all houses surpassed the peak of 1938. Flat building, though somewhat greater than in 1940 was considerably below the level in 1938, probably due in part to official control. The 8,004 net additional dwellings included in private building permits in Jan.-Sept., 1941 was 1,332 more than the number in Jan.-Sept., 1940 but about 16 p.c. below the number (9,515) in 1938.

/DWELLINGS.....

PART III. (Continued.)

DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

Type of Dwelling.	NINE MONTHS ENDED SEPTEMBER					Movement:
	1937	1938	1939	1940	1941	1939 to '41.
	Number of Dwelling Units.					per cent.
Houses - Brick etc.	2,682	3,667	3,305	3,229	4,005	(+) 21.2
Wood, Fibro, etc.	827	1,271	1,332	1,206	1,089	(-) 18.2
Total - Houses	3,509	4,938	4,637	4,435	5,094	(+) 9.9
Flats - In new buildings	2,320	4,311	3,147	2,204	2,893	(-) 8.1
In Converted "	385	329	260	189	118	(-) 54.6
With Shops, hotels, etc.	104	185	142	85	60	(-) 57.7
Total - Flats, etc.	2,809	4,825	3,549	2,478	3,071	(-) 13.5
Grand Total	6,318	9,763	8,186	6,913	8,165	(-) 0.3
Less Demolitions & Conversions	338	248	251	241	161	(-) 35.9
Net Additional Dwellings	5,980	9,515	7,935	6,672	8,004	(+) 0.9

The annual equivalent of the number of dwellings proposed in the nine months of this year (10,672) exceeds the number in every one of the last twelve years excepting 1938. Nevertheless the number is insufficient to overtake the shortage. Increasing costs and difficulties of supply of certain materials are hindering the provision of new houses and flats. Both State and Commonwealth Governments intend legislating with regard to housing and the new Minister for Social Services and Health announced recently that Federal and State Ministers would confer regarding slum clearance and re-housing. An industrial stoppage of brickmakers and carters has been holding up building work in Sydney and suburbs for several weeks.

NUMBER OF DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - METROPOLIS.

	CALENDAR YEAR.					JAN.-SEPT.	
	1929	Av. 1930-34	1938	1939	1940	1940	1941
Individual Houses	7,095	1,205	6,342	5,847	5,706	4,435	5,094
Flats, with shops, etc.	3,097	656	5,821	4,290	4,135	2,478	3,071
Net Total (Demolitions & Conversions deducted).	9,854	1,839	11,853	9,822	9,557	6,672	8,004